



California Public Employees' Retirement System
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Date: **September 12, 2002**

Reference No:

Circular Letter No: **200-061-02**

Distribution: **III, VI**

Special:

TO:

ALL CONTRACTING PUBLIC AGENCIES

**SUBJECT: 2002 OPTIONAL PUBLIC AGENCY CONTRACT PROVISIONS
AND AMENDMENT PROCEDURES (PERS-CON-40)**

As a result of Chapter 782 (AB 616, Statutes of 2001) that became effective January 1, 2002, three new retirement formulas became available to contracting public agencies. Those three formulas are Section 21354.3 (3% @ 60 Full, Supplemental or Modified Formula for Local Miscellaneous Members), Section 21354.4 (2.5% @ 55 Full, Supplemental or Modified Formula for Local Miscellaneous Members), and Section 21354.5 (2.7% @ 55 Full, Supplemental or Modified Formula for Local Miscellaneous Members). A complete description and cost estimate for each of the three formulas begins on page 18 of the attached 2002 Optional Public Agency Contract Provisions and Amendment Procedures.

In addition to the new retirement formulas, Chapter 149 (AB 179, Statutes of 2001) and Chapter 787 (AB 1082, Statutes of 2001) that became effective January 1, 2002, provide additional reclassification options to contracting public agencies. The additional reclassification options are provided under Section 20432 (Any Officers or Employees of a Sheriff's Office as "Local Sheriff") and Section 20423.5 (Park Rangers Employed as "Local Safety Members"). A complete description and cost estimate to reclassify employees is located on page 30.

Please direct actuarial valuation requests to:

California Public Employees' Retirement System
Actuarial & Employer Services Division
Contract Maintenance Unit
P. O. Box 942709
Sacramento, CA 94229-2709

We hope you find this information helpful. If you have questions regarding these new optional benefits, please contact your Employer Representative in the Contracts Maintenance Unit:

Team 1 – Alice Cook at (916) 326-3993 or Danielle Brooks at (916) 341-2488
Team 2 – Michael Latino at (916) 795-0242
Team 3 – Eva Hwang at (916) 326-3683

Kenneth W. Marzion, Chief

Actuarial and Employer Services Division

Attachment